

IPS Study: Singapore could be 'extremely aged' by 2050

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If Singapore's total fertility rate continues at its current pace and if no new citizens or permanent residents (PRs) are added, the country's population will become "extremely aged" by 2050, says a new report from the Institute of Policy Studies (IPS).

This alarming projection was revealed on Thursday morning by researchers from IPS at a roundtable on Singapore's current population trends.

Based on the two assumptions, come 2050, elderly Singaporeans aged 65 and above could constitute one in every three citizens and PRs, said IPS senior demographer and research fellow Yap Mui Teng, who led the study.

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"The median age of (Singapore's resident) population will also rise from 39 two years ago, to 49 in 2030, and 55 in 2050," she added.

In addition, she said, if Singapore's fertility rate remains at its current low of 1.24, the number of younger Singaporeans and PRs (aged between 15 and 64) for every older resident (aged 65 and above) will plunge.

From about 7.7 younger residents supporting every elderly resident in 2010, the study projected an eventual decline to fewer than two younger Singaporeans and PRs supporting every elderly resident in 2050.

Participants at the roundtable discussion, however, questioned some of the assumptions in the study.

Special adviser to the IPS Tommy Koh pointed out that the dependency ratio is based on the assumption that after the age of 65, people go from being contributing members of society to liabilities, but contended that this should be revisited as people may be living longer, but want to continue to work.

Prof Koh, who is also Singapore's ambassador-at-large, added that many elderly people also have enough savings and don't depend financially on their children.

Yeoh Lam Keong, adjunct senior fellow at IPS and former chief economist at the Government of Singapore Investment Corporation, questioned the economic benefits of having the country's workforce grow strongly.

Referring to the period focused on in the IPS study, Yeoh compared two separate scenarios where the number of non-residents accepted into Singapore came up to one in every five people, and one in every three respectively, gleaming that the resulting hike of 1.2 million people in Singapore between the first and second scenarios translated only to a 0.6 per cent GDP growth.

He pointed out that high-income countries such as France, Finland and the United States, which maintain almost-replacement levels of fertility rates, have seen a labour force growth of between 0 and 1 per cent since the 1970s with no issues.

In contrast, Singapore's labour force has been growing at a rate of between 3 and 4 per cent annually, similar to the rate of a developing country, he added.

In IPS' study, in another scenario, if no new citizens were added each year and the fertility rate rose to 1.85, Singapore's total population would help slow down the ageing of the work force, although not as effectively as it would if new citizens and non-residents were brought in.

But IPS researchers also noted — as has observed by some quarters — that a lack of integration of these foreigners into the city-state's homegrown society will pose a key challenge to Singapore in coming years.

These findings shared by the IPS come hot on the heels of a paper by the National Population and Talent Division released last week, which projected equally dismal growth trends for Singapore's population and resident labour force given its current fertility rate and increasing life expectancy. The NPTD study projected that some 900,000 baby boomers will retire from the nation's workforce over the next 30 years, contributing a great deal to this ageing trend.

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